

With cold weather fast approaching, Rep. Peter Welch (D-Vt.) today announced legislation to limit energy market speculators seeking profit at the expense of consumers. The bill would for the first time put into law the amount of oil and other energy futures speculators can buy. Sen. Bill Nelson (D-Fla.) introduced companion legislation in the Senate.

Under the Anti-Excessive Speculation Act of 2011, no single speculator could hold more than five percent of the oil futures market, greatly reducing the ability of speculators to manipulate prices. The bill would also cap the overall level of speculation in the market at its historic 25-year average. Such a move could reduce oil speculation by as much 55 percent. Additionally, the bill would force regulators to ensure that commodity prices more closely reflect actual supply and demand.

"While energy market speculation may be just another chip at the Wall Street casino, it's ripping off consumers at a time when they can least afford it. This legislation sends a clear message to profit-driven market speculators: Your days of unfettered gambling on the tab of the consumer are numbered."

Welch and Nelson's bill has already gained the support of key consumer groups, including The Americans for Financial Reform, a coalition of more than 250 national and state organizations that support Wall Street reforms. The AARP, AFL-CIO, SEIU, NAACP, National Council of La Raza, AFSCME, Consumer Action, Consumer Federation of America, U.S. PIRG and Taxpayers for Common Sense are among the coalition's members.

Speculation has dramatically increased energy prices. Although the current price of a barrel of oil is similar to that of a year ago, gas prices have increased 32.4% percent over this time last year. According to Goldman Sachs, speculation adds at least \$20 to the price of a barrel of oil. Sen. Bernie Sanders (I-Vt.) is a cosponsor of the Senate bill.